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Capacity-building for sustainable development

Report of the Secretary-General

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I. BACKGROUND

1. Capacity-development, like sustainable development, encompasses a wide range of aspects, including the human, technological, organizational, financial, scientific, cultural and institutional. It is not easy to define. Indeed, most discussions on the topic quickly tend to broaden out to deal with the overall process of development. For the purposes of the present report, it may be useful to rephrase the definition in Agenda 21, 1/ by stating that capacity-building is the process and means through which national Governments and local communities develop the necessary skills and expertise to manage their environment and natural resources in a sustainable manner within their daily activities. The main ideas behind this concept are the following:

(a) Strengthening peoples' capacity to achieve sustainable livelihoods;

(b) A cross-sectoral multidisciplinary approach to planning and implementation;

(c) Emphasis on organizational and technological change and innovation;

(d) Emphasis on the need to build social capital (i.e., voluntary forms of social regulation) through experimentation and learning;

(e) Emphasis on developing the skills and performance of both individuals and institutions.

2. The 1994 report to the Commission on Sustainable Development on capacity-building, prepared by the United Nations Development Programme (UNDP) as task manager for chapter 37, focused mainly on the role of United Nations system agencies in supporting capacity-building. Most were engaged in building capacity for the formulation of plans and strategies in support of sustainable development in areas such as health, industry, education, the environment and human settlements. Most had begun to offer support to organizations outside government. More research into the dynamics of capacity-building was seen to be necessary, as was improved inter-agency coordination and more United Nations system capacity at the field level.

II. RECENT TRENDS

A. Progress

3. Progress made in capacity-building in support of Agenda 21 since 1994 can be summarized briefly as follows: greater national capacities for designing national plans, a wider involvement of non-State actors, a deeper understanding in the international community of capacity development issues, more focus on the demands of users, improved aid coordination and donor collaboration, more capacity investments on regional and global levels, and a greater role for information technology in capacity-building.

4. The previous emphasis on capacity-building for the design of national plans and strategies has continued. Many countries, such as Bolivia, Canada, China,

Pakistan and Swaziland now have experience with the formulation of Agenda 21 strategies, national conservation strategies and environmental action plans, much of which has been documented since 1994 by organizations such as the International Institute for Environment and Development (IIED), the World Resources Institute (WRI) and the International Union for the Conservation of Nature (IUCN). National capacities to involve a wider cast of stakeholders and to produce multisectoral action plans have improved substantially since UNCED, and there is now a solid body of operational experience which can inform and guide current efforts.

5. The trend to involve non-State actors in capacity-building has accelerated. In virtually all countries, the demands for a more participatory style of policy formulation, increased financial restrictions on Governments, more open forms of political expression and more flexible means of service delivery have altered the role of national Governments. The active involvement of a wide variety of major groups, including national and international non-governmental organizations, the media, corporations and firms in the private sector, the scientific community, educational organizations and indigenous communities, is now sought on a more consistent basis. A milestone in supporting the indigenous groups came with the release of the UNDP-sponsored study Conserving Indigenous Knowledge: Integrating Two Systems of Innovation. 2/ Coming to a workable consensus on respective roles and achieving productive partnership arrangements among these major groups remain two of the enduring challenges of capacity-building for sustainable development.

6. To respond to this changing context for capacity-building, both donors and partner organizations are attempting to develop a deeper understanding of the institutional and capacity-building issues. More attention is now being given to the enabling environment or the broader context of capacity-building programmes - political, social, cultural, legal, institutional - and the ways in which key stakeholders can support or prevent progress. The World Bank, for example, has analysed the relationships between good governance and capacity-building in the public sector. The Bank has also researched ways in which the advantages of informal, indigenous institutions and the more formal structures in the public and private sectors can be combined and synthesized. UNDP has begun to issue a series of case-studies, beginning with Sierra Leone, on capacity assessment for public-sector management and decentralization. The Canadian International Development Agency has conducted a series of staff training workshops on capacity-building. The need to produce different goods and services in support of sustainable development is leading rapidly to a wider variety of organizational strategies - decentralization, subcontracting operating agencies, citizen participation - which will require new skills in organizational analysis and management.

7. More emphasis is being placed on the role of users and beneficiaries. Donors are becoming less directive and less technocratic, more supportive and facilitative. In the past, donors concentrated on the "supply" side of capacity-building programmes, including the provision of more training, more systems improvement, more equipment and infrastructure, more financial resources and more technical cooperation. The water and agriculture sectors are obvious examples. Increasingly, the focus is now on the "demand" side of capacity-building programmes. Work on HIV/AIDS is a case in point. Rather than fund

direct organizational improvements for government agencies, UNDP is now funding the growth of networks of private organizations in South Asia with a view to developing their ability both to mobilize public involvement and to encourage Governments in the region to build their capacity to respond. In this sense, capacity "building" is becoming capacity "enhancement", as donor programmes try to augment the abilities, motivations, needs and pattern of incentives that already exist. Such an emphasis on the "demand" side raises deeper issues about the capacity of the political and bureaucratic systems of countries to both capture and respond to the wishes of citizen.

8. The growing scale and complexity of capacity issues at the level of networks of organizations (e.g., improving national systems of primary school education or criminal justice) are compelling development organizations to collaborate on a wider scale. The ability of different groups and organizations to work together has become more important at all levels. The United Nations Environment Programme (UNEP) and UNDP now manage the Joint Project on Environmental Law in Africa, funded by the Government of the Netherlands. This programme also involves the Food and Agriculture Organization of the United Nations (FAO), IUCN, the World Bank and the World Health Organization (WHO). The Mediterranean Technical Assistance Programme, sponsored by the World Bank, UNDP, the European Commission and the European Investment Bank, takes a geographical focus. Agencies such as WHO (Health Cities Programme and the International Maritime Organization (IMO) (ports development)) support the efforts of disparate groups of organizations to form partnerships. In this sense, effective capacity-building depends more and more on the ability of participants to manage collaboration, conflict and coordination for productive ends. The focus is less on inducing the efficiency of individual organizations.

9. More than in the early 1990s, capacity-building for sustainable development is now taking place at the community, regional and global levels. Non-governmental organizations and other community-based groups work to develop capacities and networks at the grass-roots level. For example, Capacity 21 - a programme launched by UNDP in 1992 to implement the mandates assigned to UNDP in Agenda 21 - has supported the efforts of the Philippines Council on Sustainable Development to link community and national efforts. Groups of organizations - national and municipal governments, scientific and technical institutes, private-sector firms - deal with issues such as pollution control standards at the national level. And more and more, schemes of regional cooperation supported by donor agencies such as UNEP and the International Atomic Energy Agency (IAEA) work in support of national implementation - e.g., the transfer of nuclear technology to industry in Latin America. UNEP, in cooperation with the Asian Development Bank (ADB) and UNDP, also provides capacity-building support on database strategies to 16 national and five subregional agencies in Asia. This kind of interactive networking at the local, national, subregional, regional and international levels (such as the Permanent Inter-State Committee for Drought Control in the Sahel is now acting to supplement, and in some cases replace, more traditional forms of technical cooperation.

10. Assistance to augmenting the critical role of information for capacity-building - its generation, access, transparency and cost - has increased rapidly over the past two to three years. This is on the assumption that individuals, groups and organizations that can gain access to the power of information, such

as data on technical issues and best practice, are themselves empowered by being able to demand performance and increased responsiveness from those institutions that are supposed to serve them. The development community, both in the South and the North, is thus giving increasing attention to the generation, provision and use of information for capacity-building. Computer networks are an important aspect of this effort. UNDP manages the Sustainable Development Networking Programme around the globe, financed, in part, by Capacity 21. UNEP supports the INFOTERRA network which connects a web of environmental information centres, one of which, in Uganda, produced the first report after UNCED on the state of the environment. An MOU recently signed between UNEP and IUCN will lead to greater collaboration and sharing of environmental information. The International Ocean Institute has been instrumental in setting up a group of institutes that deal with marine and ocean issues in the South. The TRAIN-SEACOAST information network is a part of the broader effort. The World Bank, UNDP and the African Development Bank have sponsored the Network for Environment and Sustainable Development in Africa (NESDA) which offers information and services to African Governments, institutions, the private sector, non-governmental organizations and local communities on the design and management of sustainable development programmes. Finally, the impact of the growing global networks such as the Internet may exert a profound change on traditional modes of technical cooperation for capacity-building. In early 1996, for example, UNDP set up world-wide web pages that contain a capacity-building workbook and assessment software. Capacity 21 information can also be accessed by groups and organizations through the Internet.

B. Constraints

11. Capacity-building for sustainable development remains a task of enormous complexity which will not reach fruition for many years, particularly in countries with few traditions of performance management and intersectoral cooperation. In many respects, the economic structural adjustment of the 1980s is being replaced by a broad wave of institutional adjustment in the 1990s. The main constraints are thus not surprising.

12. The shift in emphasis from planning to strategy implementation of sustainable development has led practitioners to confront familiar institutional constraints - highly compartmentalized organizations in the public sector, difficulties in promoting more decentralization, the continuation of sectoral thinking and acting, lack of sufficient accountability and responsiveness, a shortage of financial and skilled human resources, poor salary and working conditions, and a lack of a performance culture in many development organizations. Until long-term reforms are made which can free up new resources, the issues of reforming public-sector institutions will continue to be difficult to resolve. Capacity-building for sustainable development also remains as much a political issue as a technical one. Progress thus depends upon the commitment and authority of national political leaders to fashion coalitions of support that can push through reform efforts and produce the new generation of more flexible institutions in both the public and private sectors which can function on a more low-cost, adaptive, participatory basis.

13. The new administrative and financial constraints now being imposed on donor agencies is limiting their ability to respond creatively to the demands for greater participation and control over the development programmes that are coming from partner countries. Issues dealing with donor accountability and control, local cost financing, disbursement schedules, programme design and management procedures, donor staff training and incentives will need to be reconsidered if donor support is to remain relevant to the newer types of participatory capacity programmes.

III. CURRENT ISSUES

14. The paragraphs below look briefly at four current issues related to capacity-building for sustainable development:

(a) Restructuring of donor agencies;

(b) Development of tools and methodologies to support capacity-building;

(c) Need for improved performance and results on capacity programmes;

(d) Institutional sustainability.

15. Most development agencies are experiencing a shortage of technical skills in institutional and capacity analysis and are trying to build their own skills in these key areas. UNDP, with the support of 11 bilateral donors, established Capacity 21 with a formal mandate both to support capacity programmes in partner countries and to encourage the exchange of learning and experience about capacity-building issues. UNDP is also expanding its Management Development and Governance Division. The Capacity-building and Implementation Division of the Africa Technical Department in the World Bank has contributed to research on capacity issues. The Government and Institutions Department provides technical support to the Overseas Development Agency. These readjustments inside donor agencies will continue in the years ahead.

16. As to the development of "user-friendly" tools and methodologies to deal with capacity issues, especially with respect to strategy implementation, much of the capacity work to date has focused more on the development of broad strategies. For example, the Government of Uganda has, with UNDP assistance, produced a national capacity-building strategy which could be used to guide the programmes of governmental departments and donor agencies (as first mentioned in chap. 37.4 of Agenda 21). But increasingly, programme participants need operational tools and interdisciplinary frameworks to design and manage their operational work. Simply put, the "how" questions have now become as important as the "what" questions.

17. Progress has been made in this area since 1994. UNDP and the World Bank are developing capacity "mapping", or assessment, frameworks which can help to shape and sequence capacity-building interventions. A related technique is that of sector institutional assessments which look at broader interconnected patterns of capacity development across sectors and broad functional areas. The International Labour Organization (ILO) has also designed a practical guide for

sector studies and programmes in management and small business development. Methodologies for doing stakeholder mapping are now available, and a number of donors such as the Overseas Development Agency (ODA), Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), the Belgian Development Cooperation Agency and the World Bank are adopting more interactive styles of programme design for capacity-building which promote greater experimentation and learning through action. On the technical side, collaboration on various assessment tools, such as the biennial global and regional outlooks, help to build capacity. Such methods need to be integrated into the procedures of indigenous institutions, as in UNDP current efforts to train practitioners in techniques for consultation on processes.

18. Monitoring remains one of the most important operational tools for improving the quality of capacity-building programmes. To be effective, monitoring techniques must take into account the particular characteristics of capacity programmes, which are difficult to plan in advance, politically sensitive, process-oriented, and dependent on local innovation and commitment for their ultimate effectiveness. Most donors and United Nations agencies are now devising more formal approaches to monitoring capacity-building programmes which give shared responsibility to national participants and managers and to donor staff. Capacity 21's monitoring and reporting strategy may be the best example of these new initiatives which emphasize collaborative learning as well as control. This approach ensures that all participants learn from their experiences and use the lessons to improve current and future programmes. Continuous monitoring is also an important quality-control tool, ensuring that corrective actions are taken promptly. Monitoring will allow lessons learned in one Capacity 21 programme to help the implementation of others.

19. In order to improve performance, most donors are adopting "result-based" approaches to programme design and management, including those that promote capacity development. Such approaches usually involve some combination of advanced planning, the setting of desired or expected results, the design of measurable indicators and more systematic monitoring and evaluation to judge performance. They have implications for the design, management, monitoring and evaluation of capacity-building programmes and for the respective roles of donor organizations. It remains to be seen whether these latest donor approaches can be combined with the consultation process for determining need - i.e., for participatory, long-term facilitation upon which effective outside interventions may depend. More attention needs to be given to the topic of indicators for capacity-building during the current expert group Meetings on Indicators of Sustainable Development.

20. Finally, institutional sustainability remains a long-term issue which will require more research, experimentation and learning. Some approaches seem fruitful. Efforts by many developing countries to redesign public-sector organizations to be more responsive to the needs and demands of citizens adds to their legitimacy and sustainability. National ownership and execution of development programmes is an accelerating trend, with donors playing more a supportive than a directive role. Efforts to reconcile indigenous and transplanted development organizations adds to their capacity for longer-term operations.

IV. PRIORITY ISSUES FOR CONSIDERATION BY THE COMMISSION

21. The following four key issues are presented for consideration by the Commission:

(a) Level of donor support;

(b) Process of collaborative learning and action;

(c) Need for donor collaboration;

(d) Need for developing countries to focus more intently on capacity issues.

22. Donor support for capacity-building programmes remains uneven and, in many cases, peripheral and short-term. As was discussed above, effective support for capacity-building requires an in-depth understanding of institutional, political, and technical issues in a particular context, a willingness to share control and accountability and, finally, the ability to commit resources and attention to developing a capacity-building programme over a long period of time. In too many cases, capacity issues are still treated in unproductive and conventional ways, as peripheral additions to development projects and programmes. Most donors still have only a few full-time staff who specialize in institutional and capacity programming. Unless all the participants, including the donors, are prepared to focus more systematically on enhancing indigenous skills and abilities and to accept the implications of doing so, the progress of capacity-building issues will remain halting. The Commission may wish to urge the donor community at large to make capacity-building a more central objective and to adjust its planning, programming, monitoring and evaluation procedures and focus on staff training accordingly.

23. The process of collaborative learning about capacity-building needs to be accelerated. There is little need to devise an overarching doctrine of capacity-building. But there are enormous gains to be made from sharing experience and insight from diverse capacity-building situations. In 1995, UNEP sponsored an African high-level meeting on environmental impact assessment which led to a useful sharing of experiences and a plan of action for for African countries. The Development Assistance Committee (DAC) of the OECD will sponsor a workshop in Rome in November 1996 on capacity-building for the environment. It has four objectives: to look at case-studies and best practices; to help develop capacity development strategies; to help develop operational tools for donors and developing countries; and finally, to discuss ways in which the achievement of UNCED goals, particularly with respect to Agenda 21, can be accelerated. This type of initiative could be replicated in other areas of capacity-building for sustainable development. South/South workshops on topics such as capacity-building indicators are one example. Action and problem-oriented research on capacity-building issues is also required in selected areas such as rebuilding low-cost organizations in countries under reconstruction in Angola, Bosnia, Lebanon, Mozambique and the West Bank. The Commission may wish to encourage further action and problem-oriented research and exchange of experiences on capacity-building.

24. The need for donor collaboration is now more pronounced than ever. The United Nations system has taken several initiatives to improve donor coordination for capacity-building for sustainable human development, mainly refocusing the role of UNDP as a facilitator with partner countries and donors on matters relating to technical cooperation and capacity-building. The World Bank has also secured an agreement to include a discussion of capacity-building issues in consultative group meetings. The Commission may wish to encourage and monitor ongoing donor efforts to increase donor coordination on capacity-building issues.

25. Capacity development is fundamentally a governance issue in that progress depends upon openness, experimentation, the involvement of citizens and beneficiaries, bureaucratic transparency and accountability. States that can promote these elements of good governance can make good progress at the institutional level. At the level of individuals, groups and organizations, an array of operational tools is available, especially in the area of organizational development, either through the donor community or directly via the information networks. The Commission may wish to request UNDP to further disseminate the results of programmes and evaluations of successful implementation of Capacity 21 projects at the country level.

Notes

1/ See Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992 (United Nations publication, Sales No. E.93.I.8 and corrigenda), vol. I: Resolutions adopted by the Conference, resolution 1, annex II, chap. 37.

2/ New York, UNDP, 1994.